



Finmeccanica Nine Month 2006 Results Presentation

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Rome, 14 November 2006



- NOTE: Some of the statements included in this document are not historical facts but rather statements of future expectations, also related to future economic and financial performance, to be considered forward-looking statements. These forward-looking statements are based on Company's views and assumptions as of the date of the statements and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Given these uncertainties, you should not rely on forward-looking statements.
- The following factors could affect our forward-looking statements: the ability to obtain or the timing of obtaining future government awards; the availability of government funding and customer requirements both domestically and internationally; changes in government or customer priorities due to program reviews or revisions to strategic objectives (including changes in priorities to respond to terrorist threats or to improve homeland security); difficulties in developing and producing operationally advanced technology systems; the competitive environment; economic business and political conditions domestically and internationally; program performance and the timing of contract payments; the timing and customer acceptance of product deliveries and launches; our ability to achieve or realize savings for our customers or ourselves through our global cost-cutting program and other financial management programs; and the outcome of contingencies (including completion of any acquisitions and divestitures, litigation and environmental remediation efforts).
- These are only some of the numerous factors that may affect the forward-looking statements contained in this document.

- Value of production up 18% to Eur 8.9 bn (+9% like for like).
- Ebit up 16% to Eur 472 mln (+12% like for like) driven by Aeronautics, Defence Electronics, Helicopters, Energy and by cost cutting measures.
- Net profit, excluding Ansaldo capital gain, increases to Eur 207 mln (+13%).
- Negative FOCF (Eur -1,149 m) impacted by seasonal increase in working capital, higher capex and payment delays.
- Net debt rises to Eur 2.18 bn due to seasonal factors.
- Order intake of Eur 10.2 bn driven by Helicopters, Space, Defence Systems, Energy.
- Backlog of Eur 34.1 bn covers almost 3 years of production.

9M and 3Q 2006 Highlights



(Eur mln)	9M 06	Change %	9M 05	3Q 06	Change %	3Q 05
Net Profit	612	n.s.	180	37	(51)	76
Net Profit pre-extraord	207	+13	180			
Value of Production	8,907	+18	7,554	2,942	+14	2,591
EBIT	472	+16	406	167	+7	156
EBIT %	5.3%		5.4%	5.7%		6.0%
Operating cash flow	(740)	n.m.	(505)			

	End September 2006	End December 2005
➤ Net Debt	2,184	1,100
➤ Backlog	34,084	32,114

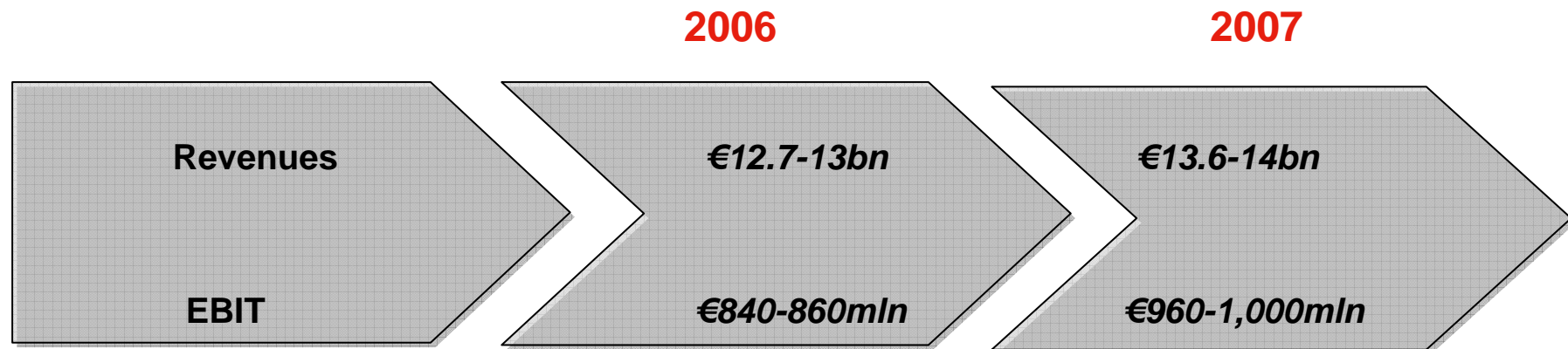
Balance Sheet Highlights



(Eur mln)	30/09/2006	31/12/2005	30/9/2005	30/6/2006
Net fixed assets	6,193	5,653	5,594	5,982
Net working capital	894	17	1,279	249
Net invested capital	7,087	5,670	6,873	6,231
Shareholders' equity	4,949	4,598	4,638	4,815
Net debt	2,184	1,100	2,245	1,462

- Increase in net fixed assets due to inclusion of call option on BAE avionics assets (€326m).
- Working capital under control
- Net debt within acceptable limits of Rating Agencies

Confirming our Guidance for 2006 and 2007



- Average Free Operating Cash Flow per Year (2006-08) of ca. €300mln
- Dividend policy: increase together with profits
- Optimal capital structure: Net debt/Equity < 35-40%
- Net bank debt/EBITDA <2.0

Business Review

Helicopters: strong performance continues.



(Euro mln)	9M 06	Change%	9M 05	Q3 06	Change%	Q3 05
Value of Production	1,974	15%	1,721	626	14%	551
EBIT	183	5%	174	48	0%	48
EBIT Margin	9.3%	-	10.1%	7.7%	-	8.7%
Orders	3,328	15%	2,892	507	7%	472

- Orders for A119, A109 Power, Grand and AW139 from Mexico and Brazil in Q3 confirm improved outlook for Civil.
- Value of production increases due to higher AW139 production activity and higher customer support activity.
- Operating margin impacted by higher UK support activity.

Defence Electronics – Promising opportunities in UK.



(Euro mln)	9M 06	Change%	9M 05	Q3 06	Change%	Q3 05
Value of Production	2,565	33%	1,922	825	16%	712
EBIT	125	10%	114	26	(21%)	33
EBIT Margin	4.9%	-	5.9%	3.2%	-	4.6%
Orders	2,195	(35%)	3,367	541	4%	518

New Defence Electronics activities acquired from BAE consolidated from 1 May 2005

- Increased Value of production and Ebit come mainly from consolidation impact of British avionics and Datamat.
- Improved operating performance by radar, command & control and IT security businesses offset by order acquisition delays.
- Good order flow in Q3 driven by Eurofighter second tranche orders for Avionics.

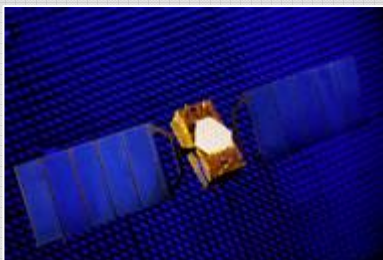
Aeronautics: strong civil supports growth.



(Euro mln)	9M 06	Change%	9M 05	Q3 06	Change%	Q3 05
Value of Production	1,535	8%	1,415	569	21%	469
EBIT	115	16%	99	54	6%	51
EBIT Margin	7.5%	-	7.0%	9.5%	-	10.9%
Orders	1,427	(33%)	2,116	256	(76%)	1,049

- Production rises due to increased ATR activity with further increase expected in Q4.
- Production to start on B787 by end 2006.
- C27J downselected with C295 (EADS Casa) for large JCA competition (up to 200 A/C) with outcome expected in early 2007.

Space: outlook improving for services



(Euro mln)	9M 06	Change%	9M 05	Q3 06	Change%	Q3 05
Value of Production	518	(5%)	547	170	(3%)	176
EBIT	22	(8%)	24	6	20%	5
EBIT Margin	4.2%	-	4.4%	3.5%	-	2.8%
Orders	515	56%	330	184	n.s.	63

- Orders improve due to higher civil TLC intake
- Operating profits for Services improve
- Synergies from combined Alcatel and Finmeccanica businesses unable to offset higher labour costs in Manufacturing

Defence Systems – Missile export outlook improves



(Euro mln)	9M 06	Change%	9M 05	3Q 06	Change%	3Q 05
Value of Production	751	6%	706	239	1%	236
EBIT	38	(10%)	42	16	(27%)	22
EBIT Margin	5.1%	-	5.9%	6.7%	-	9.3%
Orders	496	23%	403	158	n.s.	71

Including 25% of MBDA and 100% of Oto Melara and WASS

- Missiles drive volumes
- Export opportunities for Missiles in Middle East
- Improvement in Missiles unable to offset lower contribution from Armaments and Underwater

Civil: Energy & Signalling strong, Vehicles challenging



Transportation

(Euro mln)	9M 06	Change %	9M 05	3Q 06	Change %	3Q 05
Value of Production	1,005	12%	899	316	1%	313
EBIT	39	n.s	5	12	(33%)	18
EBIT Margin	3.9%		0.6%	3.8%	-	5.8%
Orders	1,738	25%	1,394	595	7%	558



Energy

(Euro mln)	9M 06	Change %	9M 05	3Q 06	Change %	3Q 05
Value of Production	633	22%	519	206	14%	181
EBIT	38	90%	20	20	n.s.	7
EBIT Margin	6.0%	-	3.9%	9.7%	-	3.9%
Orders	741	33%	557	65	(46%)	121

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